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**MEMO ENDORSED**

September 4, 2008

BY FAX

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Hon. Colleen McMahon  
Daniel Patrick Moynihan  
United States Courthouse  
500 Pearl St., Room 640  
New York, NY 10007

*Conference Set  
Concluded*

Re: S.M.E. SHIPPING PTE LTD. v. GUJARAT HEAVY CHEMICALS LTD.  
Southern District of New York - 08 CV 3520 (CM)  
Rule B Attachment of assets and property  
Our File: 500493.1

*Colleen McMahon*  
9/4/08

Dear Judge McMahon,

We represent S.M.E. Shipping Pte Ltd. (hereinafter "SME"), in the above-referenced action, and write on behalf of both parties to respectfully request that the Rule 16 conference now schedule for September 5, 2008 at 11:00 a.m. be adjourned by thirty (30) days for the reasons explained in more detail below.

The subject action started as an *ex parte* proceeding against Gujarat Heavy Chemicals Ltd. (hereinafter "GHCL") and resulted in the issuance of a process of maritime attachment pursuant to Rule B of the Supplemental Rules for Certain Admiralty and Maritime Claims in the amount of about US \$123,000. Following the issuance of the Order and Process of Maritime Attachment, we promptly served these papers on a select group of garnishee banks in New York. To date, we have attached the full amount of the claim and have provided notice to GHCL of this fact.

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Subsequently, GHCL appointed local counsel, who has appeared in this action, and the parties entered into settlement negotiations. These negotiations are on-going and likely to result in the subject action being voluntarily dismissed. Regardless of the outcome of these discussions, the underlying merits of the claims, and potential counter-claims, between the parties would have been resolved in a foreign forum as per the controlling contract and not in New York.

At present, a new offer has been made by SME and GHCL has yet to formally reply. We had hoped to have a consensus reached well in advance of the scheduled conference, but it appears that the circumstances are creating a delay. In particular, GHCL is based in India and is transmitting instructions to their New York attorney via another lawyer in India. To make matters worse, we understand that this Indian lawyer has been away from his office on religious holiday for some time. The fact that SME is based in Asia does not help matters. The net result is that between time zones, geography and intermediaries, communications between the parties has been slow.

That being said, the current offer may resolve the subject action in New York, if it is accepted. Short of a resolution of the current settlement discussions, the parties will have nothing else to report to the Court. This request is the first of its kind, no party will be prejudiced by this adjournment, and GHCL consents to this adjournment request. Accordingly, we respectfully request that the current pre-trial conference be adjourned by thirty (30) days or as soon thereafter as this Court prefers.

We apologize in advance for requesting this adjournment on such short notice and thank this Court for its attention and understanding. If there are any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,

CHALOS, O'CONNOR & DUFFY



Timothy Semenero

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